

Enterprise Transition Management (ETM)

***Ensuring PSR Success Through
the People Side of Change***

Presentation to the CalPERS Board

January 23-24, 2008

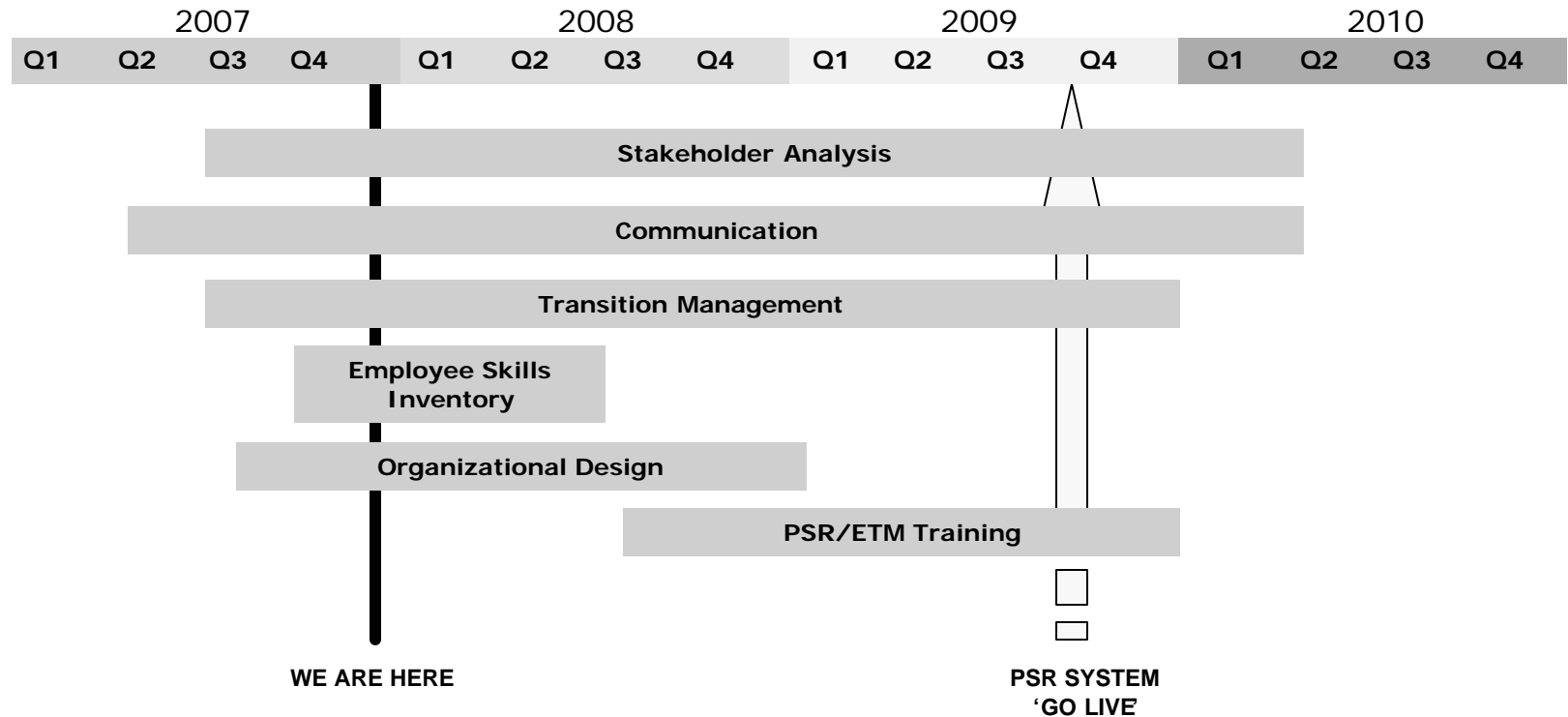
ETM Project Goals

- **Goal 1:** Align CalPERS leaders to ensure the organization fully realizes PSR's potential.
- **Goal 2:** Ensure CalPERS has the organizational structure and workforce to effectively utilize PSR.
- **Goal 3:** Ensure CalPERS staff has the information and skills required to be successful in the new business environment supported by PSR.
- **Goal 4:** Actively support CalPERS management and staff during the transition to the new business environment supported by PSR.
- **Goal 5:** Promote and disseminate ETM methods to improve the outcomes of CalPERS' other change initiatives.

ETM Project Major Deliverables

Organization Design	<i>Conceptual organization design, detailed design, stakeholder review, defined job roles, duty statements</i>
Skills Assessment	<i>Taxonomy of skills, skills inventory, skill gap analysis</i>
Training	<i>Training plan, web-based general business skills training, integrated performance training (immersion simulation)</i>
Communication	<i>Stakeholder analysis and management, communication strategy/plan/materials</i>
Transition Management	<i>Leadership alignment, transition approach, readiness assessments, implementation assistance</i>

ETM Schedule



Note: Quarters are based on Calendar Year (Jan – Dec)

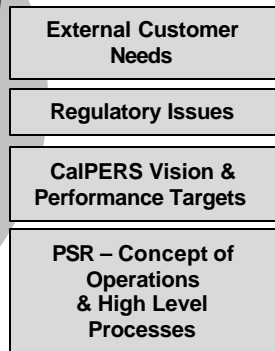
Organization Design Overview

- The PSR technology will enable significant improvements in customer service, information management and analytics, and operations management
- PSR will enable CalPERS to manage by horizontal process (e.g., the Enrollment process, Benefits process) and to more easily manage customer groups or introduce and administer new products
- Optimizing these new capabilities may require adjusting some of CalPERS' current organization structure (e.g., unit structure, job or role design, span of control, authority and responsibility, etc.)
- The Organization Design Work Stream within the ETM project helps CalPERS evaluate these options and define the structures, roles, and work environment that will produce the best business performance

Organization Design Methodology

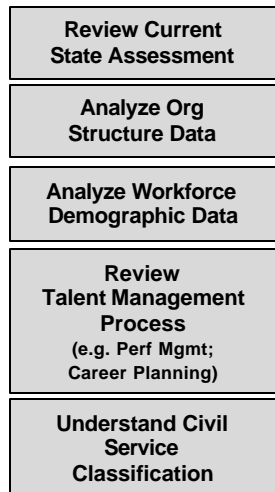
1

Articulate
Business Drivers



2

Analyze
Current Organization



3

Define
Organization
Design
Principles

Design Principles
Meeting

4

Develop
Operating Model
[grouping of
capabilities]

Operation Model
Meeting

5

Design
Conceptual
Organization
(High-Level)

Deliverable 6.1
Conceptual
Organization
Design

Note:
Input and approvals
are collected
throughout the
design process

6

Develop
“DRAFT” Detail
Org Design Model

Deliverable 6.2
Detailed Design
“Ready for Stakeholders”

7

Refine & Finalize
Detailed Org
Design Model

Deliverable 6.3
Detailed Organization
Design

8

Develop Job
Descriptions
for Detailed Org
Design Model

Deliverable 6.4
Final Organization
Design

9

Define
Implementation
Plan

Deliverable 6.5
Org Design
Implementation Plan

CalPERS Organization Design Inputs

- A. Strong customer service culture focused on customer needs
- B. Similar processes across branches and divisions
 - A. Enrollments
 - B. Contributions
 - C. Contracts
 - D. Benefits
 - E. Policy and Procedures
- C. Organizational need and PSR capability for dynamic, reusable and efficient systems (service oriented architecture)
- D. Future plans for diverse market strategies, products and services
- E. Guiding Principles:
 - 1. Accurate, reliable, efficient, integrated service that customers find easy to use and of high value
 - 2. Defined governance process for decisions and priorities
 - 3. Balance and flexibility across process and function
 - 4. Accountability, analytics, and performance management

Organization Design Next Steps

- Continue Organization Design analysis
- Continue to work with Labor
- Identify potential organization structure changes and implications, including:
 - Defining the required governance procedures
 - Identifying the impact on Board and Committees' reporting

Training Overview

Training Type	Description	Time Period
General Business Skills	Provides general skills staff will need to be successful in new PSR environment Examples: Problem solving, business analysis, customer service skills	12 months prior to PSR "Go Live"
Integrated Performance	Builds on all other training, including program specific knowledge and PSR system training Includes "real world" scenarios (training simulations)	After PSR System Training
Performance Support Job Aids	Provides reference materials that are available to the learner at anytime	After PSR "Go Live"

Planned training audience: 1,400 staff affected by the transformation

Summary and How Board Can Help

- PSR and ETM projects will significantly impact the CalPERS workforce
- Substantial amounts of time are required for:
 - Design input/validation
 - Reviews and alignment
 - Training
 - Communication
- Continue to deliver excellent service
- We ask the Board to help our leaders and employees maintain a **sustainable workload** through the transition